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ABSTRACT

The Department of Labor (DOL) conducts several activities to foster Job Corps' employer and community linkages to ensure the appropriateness of its vocational training to local labor markets and its relevance to employer needs. However, a review by the General Accounting Office (GAO) determined that information reported by DOL on the percentage of Job Corps participants who complete their vocational training and obtain training-related jobs is misleading and overstates program results. Although Job Corps reported that, in program year 1996, 48% of program participants nationwide completed training, the GAO found that only 14% of program participants had actually completed all requirements of their vocational training curricula. The remaining participants counted by Job Corps as completing training had completed only some of the duties and tasks of a specific volunteer training program. According to DOL, 62% of Job Corps participants nationwide found jobs matching their training. At the five Job Corps centers visited by the GAO, however, the validity of 41% of the job placements reported by DOL to be training related was questionable. The GAO also questioned DOL's practice of awarding sole-source contracts to national labor and business organizations for vocational training. (MN)

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Testimony

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JOBS CORPS

Vocational Training Performance Data Overstate Program Success

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Jobs Corps: Vocational Training Performance Data Overstate Program Success

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss Job Corps, a $1 billion program administered by the Department of Labor that serves economically disadvantaged youths aged 16 to 24. For over 30 years, Job Corps has been helping young people who need and can benefit from an intensive program of education, training, and support services operated mainly in a residential setting. Job Corps is intended to prepare youths to either obtain and hold gainful employment, pursue further education or training, or satisfy entrance requirements for careers in the Armed Forces. Job Corps participants spend on average about 7 months in the program; per participant cost is on average about $15,000, making Job Corps the nation's most expensive job training program. Reasons for this high cost include the program's severely disadvantaged participants, who face many barriers to employment and its comprehensive services provided in a residential setting.

My testimony today focuses on Job Corps' vocational training services. Specifically, I will first describe Labor's efforts to ensure the appropriateness of vocational training and its relevance to local labor markets; second, I will discuss the extent to which program participants are completing vocational training programs and obtaining jobs related to the training received. In addition, as the Subcommittee requested, I will discuss our examination of the appropriateness of Labor's use of sole-source procurement for a substantial portion of this training. Much of my testimony is drawn from a study we are conducting at the request of the Subcommittee as well as from reports on the Job Corps program we have issued since 1995.[1]

In summary, Labor has several activities to foster Job Corps' employer and community linkages to ensure the appropriateness of its vocational training to local labor markets and its relevance to employer needs. Labor has industry advisory groups regularly review vocational course curricula to ensure its relevance for today's job market. Labor has also introduced a school-to-work initiative designed to link Job Corps with local area employers, combining center-based training with actual work site experience at more than half the Job Corps centers. In addition, Labor involves local business and community leaders in deciding which

[1]Job Corps: Need for Better Enrollment Guidance and Improved Placement Measures (GAO/HEHS-98-1, Oct. 21, 1997); Job Corps: High Costs and Mixed Results Raise Questions About Program's Effectiveness (GAO/HEHS-95-180, June 30, 1995); Job Corps: Comparison of Federal Program With State Youth Training Initiatives (GAO/HEHS-96-92, Mar. 28, 1996); and Job Corps: Where Participants Are Recruited, Trained, and Placed in Jobs (GAO/HEHS-96-140, July 17, 1996).

vocational training programs to offer at newly established Job Corps centers. In addition to these national efforts, three of Labor's regional offices have developed their own initiatives to improve linkages between Job Corps and local labor markets, including modifying vocational training to meet local employer needs.

Information reported by Labor, however, on the percentage of Job Corps participants who complete their vocational training and obtain jobs related to that training is misleading and overstates program results. Although Job Corps reported that in program year 1996,[2] 48 percent of program participants nationwide completed vocational training, our review concluded that only 14 percent of program participants had completed all requirements of their vocational training curricula. The rest of the participants that Job Corps counted as completing training had completed only some of the duties and tasks of a specific vocational training program. Labor also reported that 62 percent of the participants nationwide who obtained employment found jobs that matched the vocational training received in Job Corps. At the five centers we visited, however, the validity of about 41 percent of the job placements reported by Labor to be training related was questionable.

Finally, Labor has been awarding sole-source contracts to national labor and business organizations for vocational training for more than 30 years. It has not adequately justified, however, procuring these training services on a noncompetitive basis, according to our review. The main reason Labor has justified awarding these contracts on a sole-source basis is that these organizations have a national placement network and are better able than non-national organizations to place Job Corps participants who complete their training. Labor has provided no data, however, to support the extent to which these sole-source contractors actually place Job Corps participants nationwide.

Background

Job Corps was established as a national employment and training program in 1964 to address employment barriers faced by severely disadvantaged youth. Job Corps enrolls youths aged 16 to 24 who are economically disadvantaged, in need of additional education or training, and living under disorienting conditions such as a disruptive home life. In program year 1996, the most recent year for which information was available, nearly 80 percent of the participants were high school dropouts and

[2]A program year begins on July 1 and ends on June 30 of the following year. A program year is designated by the year in which it begins. Thus, program year 1996 began on July 1, 1996, and ended on June 30, 1997.

almost two-thirds had never worked full time. Participating in Job Corps can lead to youths' placement in a job or enrollment in further training or education. It can also lead to educational achievements such as attaining a high school diploma and learning reading or math skills. In program year 1996, Job Corps provided comprehensive services to more than 68,000 youths. Labor reported that 80 percent of these youths were placed in employment, joined the armed services, or enrolled in full-time schooling.

Job Corps is one of a few remaining federally administered training programs. It uses four sets of contracts—three are awarded on a competitive basis, the fourth on a sole-source basis. Specifically, Labor uses one set of competitive contracts for recruiting and screening new participants, another set for operating 84 of its 112 Job Corps centers nationwide, and a third set for placing youths in jobs or providing them additional training upon termination from the program.[3] Labor awards the fourth set of contracts on a sole-source basis to national labor unions and business organizations to conduct about a third of Job Corps' vocational training.[4]

Major corporations and nonprofit organizations manage and operate 84 Job Corps centers under contractual agreements with Labor. Labor selects these contractors through a competitive procurement process that takes into account a contractor's expertise, proposed costs, and prior program performance. In addition, the U.S. Departments of the Interior and Agriculture operate 28 Job Corps centers, called civilian conservation centers, on public lands under interagency agreements with Labor. Labor competitively awards a set of contracts for recruiting and screening Job Corps participants and another set of contracts for placing participants. Private contractors, the contractors operating Job Corps centers, and state employment service agencies are among the organizations that have been awarded these contracts. Vocational training may be provided in any combination of three ways. Most vocational training is offered by instructors that are Job Corps center staff; other training is taught by private providers under subcontract to the center. These providers typically include vocational schools and community colleges. The rest of vocational training is provided by national labor unions and business organizations under sole-source arrangements made directly with Labor.

[3]"Placement" means getting a job, entering the military, returning to school, or entering another training program.

[4]The remaining two-thirds of the vocational training is provided by Job Corps center staff or by local training providers under subcontract to the Job Corps center.

Each Job Corps center provides participants with a wide range of services, including basic education, vocational skills training, social skill instruction, counseling, health care, room and board, and recreational activities. One unique feature of Job Corps is that, for the most part, it is a residential program. About 90 percent of the youths enrolled each year live at Job Corps centers and receive services 24 hours a day, 7 days a week. The premise for boarding participants is that most come from a disruptive home life; therefore, they can benefit from receiving education and training in a different setting where a variety of support services are available around the clock. The comprehensive services Job Corps provides make it a relatively expensive program. According to Labor's program year 1996 figures, the average cost per Job Corps participant was more than $15,000. Cost varies according to the length of time a participant stays in the program. Participants stay in the program for an average of about 7 months but may stay as long as 2 years. Labor estimates the cost for a participant who remains in the program for a year to be about $25,000.

Vocational training is an important element of the Job Corps program. This training is designed to offer individualized, self-paced, and open entry/open exit instruction to allow participants to progress at their own pace. Overall, Job Corps offers training in 100 different vocations. Although the number of vocations offered at any Job Corps center varies, most centers offer training in 7 to 10 different vocations. Some centers offer training in as few as 5 vocations, while one offers training in 31 different vocations. Some vocations are offered at most centers, while others are offered at only a single center. For example, over 80 percent of the centers offer training in business clerical, culinary arts, building and apartment maintenance, and carpentry. On the other hand, 35 vocations, including computer programmer, asphalt paver, barber, teacher aide, and cable television installer, are only offered at a single center.

Many centers also offer off-site advanced career training at such institutions as vocational schools, community colleges, and universities for participants who have been in the program for at least 6 months. Regardless of who provides the training, Job Corps requires all vocational training programs to use competency-based curricula that contain a series of skills, or competencies, that participants must accomplish. According to Labor officials, each vocational training program's curricula and required skills are regularly reviewed and updated by industry advisory groups consisting of business, industry, and training providers.

Program Goals in Response to the Results Act

The Government Performance and Results Act of 1993 is aimed at improving performance of government programs. In a time of limited budgets, the Results Act is a powerful tool that disciplines program management by requiring agencies to clarify their missions, establish goals and a strategy for reaching them, measure performance, and report on their accomplishments. The Results Act requires virtually every executive agency to develop strategic plans that clearly define their mission and articulate comprehensive mission statements that define their basic purpose. It also requires agencies to establish long-term strategic goals as well as annual goals linked to them. Agencies must then measure their performance toward the goals they have set and report publicly on how well they are doing. In addition to monitoring their ongoing performance, agencies are expected to evaluate their programs and to use the results from these evaluations to improve the programs.

Beginning in fiscal year 1999, executive agencies are to use their strategic plans to prepare annual performance plans. These performance plans are to include annual goals linked to the activities cited in budget presentations as well as the indicators the agency will use to measure performance in reaching results-oriented goals. Annual performance plans connect the long-term goals of the strategic plan to daily activities. Agencies are subsequently to report each year on the extent to which goals have been met, provide an explanation if these goals have not been met, and present the actions needed to reach any unmet goals. Labor's plan includes separate plans for its units. The Employment and Training Administration includes Job Corps in its performance plan, which has a goal of placing 75 percent of Job Corps participants in jobs or further education with an average wage of $6.50 an hour for those placed in jobs or the armed forces.[5]

Efforts to Ensure the Appropriateness and Relevance of Vocational Training

Labor has several activities to foster Job Corps' employer and community linkages to ensure the appropriateness of vocational training to local labor markets and its relevance to employer needs. Since 1984, Labor has used industry advisory groups to regularly review vocational course curricula to ensure the relevance of course content to the job market. In program year 1995, Labor introduced a school-to-work initiative at three Job Corps centers, combining center-based training with actual work site experience. Labor expanded this initiative to another 30 centers in program year 1996

[5]This same goal is also included in Labor's departmentwide performance plan overview. In addition to these measures, Labor uses other measures to assess the performance of Job Corps and its center operators, including the proportion of participants who complete their vocational training and the proportion of participants placed in jobs related to their vocational training.

and an additional 30 centers in program year 1997. In addition, Labor involves local business and community leaders in deciding which vocational training programs to offer at newly established Job Corps centers. For example, one such new center that we visited had decided the vocations to be offered 2 years before the center's contract was awarded. The center's decisions on vocational training were made with input from local business and community leaders, including representatives of the mayor's office, the private industry council,[6] the school department, and local businesses. As a result of this decisionmaking process, this center does not offer many traditional Job Corps vocational programs such as clerical, culinary arts, landscaping, and building and apartment maintenance. Instead, it offers nine vocational training programs in such high-demand occupations as medical assistant, phlebotomy/EKG technician, and computer repair.

In addition to national efforts, three of Labor's regional offices have developed their own initiatives to improve linkages between Job Corps centers and area employers. For example, one regional office has two initiatives in place to modify training programs to meet the needs of local employers in the shipbuilding and automotive service industries. In both instances the employers had direct input into the vocational training curriculum and donated equipment for the training. One program—the welding program for the shipbuilding industry—involves students training at the Job Corps center under conditions similar to a shipbuilding work site. The shipbuilding company tests the students and then provides additional training at the shipbuilding site. In the automotive service program, the employer provides the equipment, the instructor, and the training curriculum. Both employers have hired graduates of these programs and are satisfied with their relationship with Job Corps.

Two other regional offices have tried to increase employer involvement with Job Corps. In one instance a regional office held a series of meetings with representatives of various employers and center staff to bridge the gap between the needs of private industry and the Job Corps program. These meetings led to recommended actions and suggested new strategies to resolve employer issues. In the other example, a regional office is sponsoring a project to increase employer involvement in all facets of the Job Corps operation, including curriculum development, customized

[6]Under the Job Training Partnership Act of 1983, a private industry council, comprising representatives of private-sector employers, local education agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public service employment agency, is appointed by local elected officials of each service delivery area and approves a job training plan designed to meet local employment and training needs.

training, work-based learning, mentoring, identifying workforce needs, and donating staff resources and equipment.

Individual Job Corps centers have also established linkages with employers. These linkages include negotiating with employers to provide furniture and vocational training equipment and contracting with employers to train and hire program participants. For example, one center obtained a four-wheel drive sport utility vehicle from an automobile manufacturer for students in the auto repair vocational training course. Local auto dealers, familiar with the center's linkages to the national automobile manufacturer, have also donated cars needing repair. In addition, local auto dealers have trained students through the school-to-work program and hired many Job Corps program participants. Another center holds monthly employer and community relations meetings during which approximately 200 local employers and community representatives attend a luncheon catered by the center's culinary arts students to discuss local employment opportunities and donate funds to benefit Job Corps participants.

Vocational Training Completion and Placement in Training-Related Jobs

Data on vocational training completion and placement outcomes are misleading, and as a result two performance indicators that Labor uses to evaluate Job Corps' success are overstated. Labor reports that about 48 percent of all program participants nationwide complete their vocational training and that about 62 percent of the jobs obtained by program participants relate to the vocational training received. Only about 14 percent of program participants nationwide satisfied all their vocational training requirements, according to our review, and about 41 percent of the reported training-related job placements at the five centers we visited were questionable. Labor needs complete and accurate program performance information for evaluating program success and for identifying areas needing improvement.[7]

Labor's Vocational Completion Designation Does Not Mean That All Vocational Training Tasks Were Completed

Job Corps reported that in program year 1996, 48 percent of its participants nationwide completed vocational training. The information Labor uses to define vocational completion, however, is misleading. Only about 14 percent of the program year 1996 participants actually completed all the required tasks of their vocational training programs, according to our review. Job Corps' national data system has three categories for

[7]We also questioned the validity of 15 percent of the reported placements we sampled at six centers in GAO/HEHS-95-180, June 30, 1995.

identifying a participant's level of vocational training progress: trainee, completer, and advanced completer. A trainee is a participant who has not completed any vocational training component, a completer has accomplished at least one part of a vocational program, and an advanced completer has fully satisfied all required parts of a vocational training program. Participants in the last two categories are considered vocational training completers. Thus, Job Corps' reported statistics on vocational completers include participants who have only partially completed the required skills of their vocational training programs.[8]

Each vocational training program in Job Corps has a comprehensive list of duties and tasks that participants are expected to perform. For example, the clerical vocational training program has 140 duties and tasks that participants must accomplish to fully complete the program, food service has 109, and carpentry has 75. Each vocational training program is divided into several segments. For example, in the food service vocational training program, the first segment entails making a sandwich and preparing a salad (covering 39 of the 109 tasks); the second segment adds preparing breakfast dishes; heating convenience foods; preparing meats, poultry, fish, and pasta; and cooking vegetables; and the final segment adds preparing soups, sauces, and appetizers, as well as food management skills, such as preparing a menu, setting a table, developing a food preparation schedule, and conducting safety inspections.

Vocational training instructors assess participants' performance for each identified duty and task. Job Corps policy permits participants to be classified as vocational completers if they accomplish the duties and tasks associated with any one segment of the vocational training program—regardless of whether they can perform all the duties and tasks required in the entire vocational training program. Depending on the vocation, the percentage of tasks that a participant must accomplish to be considered a completer ranges from virtually 100 percent—for the health occupations vocational training program—to about 25 percent for the welding program (see table 1).

[8]Placement in a job does not depend on a participant's completing any of the required skills of a vocational training program. Job Corps requires placement contractors to help all participants with placement regardless of how long they were in the program or the reason they left.

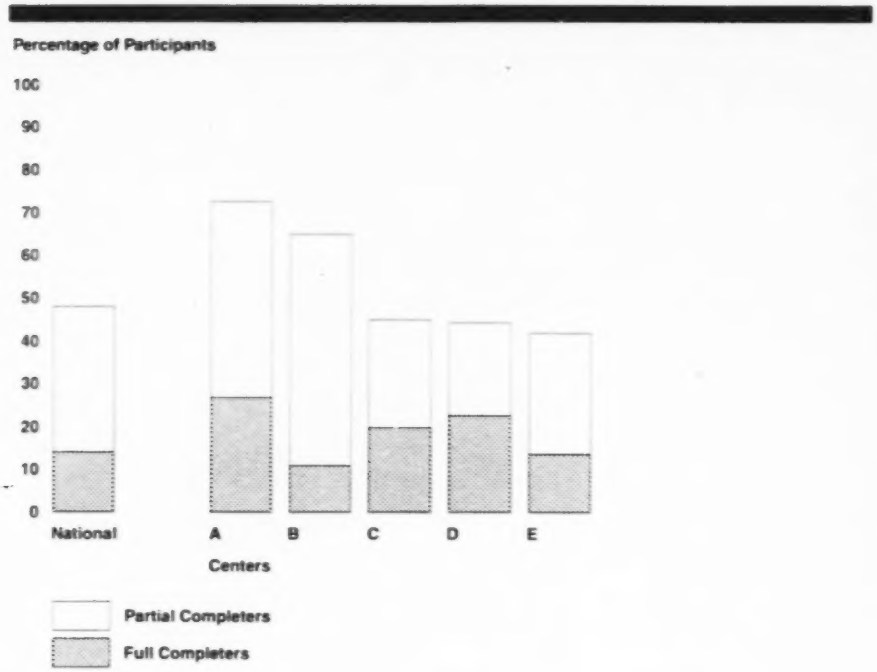
Table 1: Number of Tasks Participants Have to Accomplish to Be Considered Vocational Completers in Selected Vocational Training Programs

Vocation	Number of tasks required to fully complete training	Minimum number of tasks required to be considered a completer	Percentage of total tasks required to be considered a completer
Health occupations	189	179	95
Electrician	79	56	71
Painter	50	32	64
Carpentry	75	42	56
Building and apartment maintenance	123	64	52
Clerical	140	67	48
Landscaping	167	71	43
Bricklayer	64	26	41
Food service	109	39	36
Welding	128	36	28

Thus, Job Corps policy allows participants to be classified as vocational completers if they can perform some portion of the required curricula. For example, in the food service vocational training program, accomplishing only the tasks associated with the salad/sandwich making segment would qualify a participant as a vocational completer. At the centers we visited that had a food service program, nearly half of the reported vocational completers had completed only this first segment of the food service program. At the five centers overall, 43 percent of the vocational completers had completed only the first segment of their vocational training programs.

Job Corps' reported percentage of vocational completers at the five centers we visited substantially overstated the percentage of participants who fully completed their vocational training programs. At the five centers, only about 1 in 3 reported vocational completers had actually completed all the vocational training requirements. The percentage of program year participants fully completing vocational training programs ranged from about 11 percent at one center to about 27 percent at another center. Nonetheless, these two centers had reported vocational completion rates of 65 and 73 percent, respectively (see fig. 1).

Figure 1: Reported and Full Completion Rates for Vocational Training Nationwide and at Five Job Corps Centers, Fiscal Year 1996



Training-Related Job Placement Statistics Are Not Meaningful

Labor reported that in program year 1996, 62 percent of those placed in employment found jobs that matched the Job Corps training they received. Our review of this information at the five centers we visited, however, suggests that this overstates the program's accomplishments. At the five centers, 63 percent of the job placements were reported as training related; however, the validity of about 41 percent of these job training matches was questionable.

In checking this information, we first reviewed all the job placements at the five centers we visited to assess the validity of reported job training matches. We then verified our results by contacting a representative sample of employers who had hired the Job Corps participants.[9] We questioned job training matches because either the job title did not seem appropriate for the employer listed or the job title did not seem to relate to the vocational training. We then interviewed a random sample of 175

[9]We identified 598 questionable job training matches at the five centers. We contacted a random sample of 175 of the listed employers to verify information about the reported job placement and used the results of this sample to estimate the number of questionable matches. We estimate, at the 95-percent confidence level, that between 520 and 564 job training matches are questionable at these centers.

employers who had hired these Job Corps participants whose job placement was listed as related to the vocational training they received but that we questioned. Placements listed as training related but that we questioned included a participant placed as a cashier at a fast food restaurant after having received secretarial training and a participant placed at a gas station who had trained to be a bank teller.[10] Table 2 shows additional examples of jobs reported as being training related that we questioned.

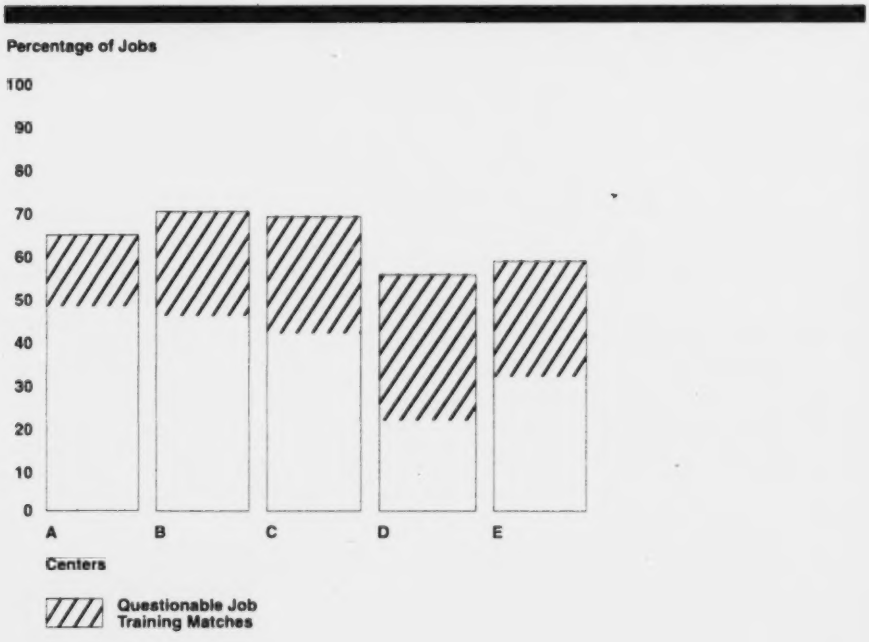
Table 2: Examples of Reported Job Training Matches We Questioned

Vocational training	Job placement	Employer
Accounting	Bank teller Linen room attendant	Cable Car Cleaners Sheraton Hotel
Auto repair	Detailer Wash boy	Vintage Car Wash Mesa Ford
Bricklaying	Janitor Material handler	Waffle House Roger's Supermarket
Carpentry	Municipal maintenance worker Stone polisher	Piggly Wiggly's grocery store Ro-An Jewelers
Clerical	Bank teller Cashier	McDonalds Dunkin Donuts
Diesel mechanic	Laundry machine washer Stock checker	Elks Lodge K-Mart
Electronic assembly	Car wash attendant Machine cleaner	Vintage Car Wash Baskin & Robbins
Food service	Housekeeper Personal attendant	Pilar De La Torre Consuelito's Boutique
Home health aide	Appointment clerk Information clerk	Vision Dry Cleaning Alamo Car Rental
Hotel/motel clerk	Fast food worker Ticket seller	McDonalds Regal Theaters
Medical assistant	Information clerk Sanitarian	Delia's Restaurant Wendy's
Painting	Janitor Material handler	McDonalds Federal Express
Plumbing	Assembler Material handler	Sealy Mattress United Parcel Service
Welding	Material handler Utility worker	Popeye's Chicken KC Pools

[10]We also questioned Job Corps' policy of providing an automatic job training match for any individual enlisting in the military, regardless of the assigned duties. At the five centers, military enlistments accounted for about 5 percent of the reported job training matches, although at one center about 13 percent of the reported job training matches were for military enlistments. However, we did not include these reported job training matches in our questionable category.

At the five centers we visited, we questioned between one-quarter and two-thirds of the job placements that were reported to be related to the training participants received. (See fig. 2.)

Figure 2: Reported and Questionable Training-Related Job Placement Rates at Five Job Corps Centers



Our discussions with employers provided examples of participants who seemed, on the basis of the reported job title, to have obtained jobs related to the training received. These participants, however, were actually hired to perform duties unrelated to their training; thus, they were erroneously reported as being placed in a job related to their training. For example, one participant trained in welding was reported as obtaining a job as a welding machine operator at a temporary agency, but the employer informed us that this individual was actually hired to shuttle vehicles between airports. Another participant trained in auto repair was reportedly hired as a petroleum and gas laborer, but the employer told us that the person was actually hired to clean residential homes. A third participant received clerical training and was reportedly hired as a sales correspondent, but the employer told us that the person actually sorted

bad tomatoes from good ones on a conveyor belt. All three of these Job Corps participants, on the basis of the reported job title, had seemed to obtain jobs related to the training received, but they were actually hired to perform duties unrelated to their training; thus, they were erroneously reported as being placed in a job related to their training.

Labor's monitoring of reported job training matches appears to be inadequate. Labor officials stated that Job Corps regional offices monitor all aspects of placement contractor performance, but the offices have no fixed schedule for conducting such monitoring. Labor officials stated that regular desk reviews of all placement forms, both for accuracy and completeness, take place as part of the process of paying for vouchers submitted by placement contractors. On the basis of our findings, this procedure may not be adequate to ensure the accuracy of that reported information.

Sole-Source Procurement of Vocational Training Services

At the Subcommittee's request, we reviewed Labor's justification for using sole-source procedures for procuring vocational training services through national training contractors and determined that Labor's justification fails to provide sufficient facts and rationale to support its claimed need to use noncompetitive procedures. Labor has contracted with national labor and business organizations under sole-source arrangements for more than 30 years. Currently, Labor has nine sole-source contracts with national labor and business organizations totaling about $46 million (see table 3). This represents about one-third of the expenditures for vocational training activities in program year 1996.

Table 3: National Training Contractors

Contractor	Year of initial award	Latest award (millions)	Number of training slots
AFL/CIO Appalachian Council	1974	$4.2	542
Home Builders Institute	1974	$13.5	4,090
International Brotherhood of Painters and Allied Trades	1969	$4.1	1,280
International Masonry Institute	1971	$3.5	910
International Union of Operating Engineers	1966	$2.5	450
National Plasterers and Cement Masons International Association	1970	$5.3	1,440
Transportation-Communication International Union	1972	$4.2	380
United Brotherhood of Carpenters and Joiners of America	1968	$6.3	2,260
United Auto Workers	1978	$2.5	396
Total		**$46.1**	**11,748**

Federal procurement regulations require several conditions to be met for an agency to award a contract on a sole-source basis. These include (1) establishing the need for services that can be only provided by a specific entity, (2) documenting through a market survey or other basis that no other known entity can provide the required services, and (3) stating a plan of action the agency may take for removing barriers to competition in the future.

Labor used three broad considerations as justification for making sole-source awards in 1993 for about a third of Job Corps' vocational training rather than using full and open competition: (1) the contractor's past relationship with Job Corps, that is, experience with Labor's Employment and Training Administration in general and Job Corps, specifically, and thorough knowledge of Job Corps' procedures and operations; (2) the contractor's organizational structure, that is, a large nationwide membership related to a trade and its strong relationship with national and local apprenticeship programs; and (3) the contractor's instructional capability, that is, the availability of qualified and experienced instructors; ability to provide training specifically developed for the learning level of Job Corps students; and the ability to provide recognition of training as credit toward meeting the requirements of becoming a journey-level worker. In addition, Labor officials have stated that a main reason for its justification for these sole-source awards is the contractors' maintaining an extensive nationwide placement network.

Labor acknowledged that its national data system has no information to indicate the extent to which national training contractors were directly responsible for placing Job Corps participants in jobs.

Our review of Labor's current and proposed justification for its sole-source contracts and our previous work[11] on this issue raise questions about Labor's long-standing practice of awarding sole-source contracts. Labor's 1993 sole-source justification essentially lists the qualities Labor expects in a contractor. Labor lacks data to support its contention that contractors maintain an extensive nationwide placement network and failed to demonstrate that no other entity is available to bid on the contract. Labor's proposed justification for upcoming contracts has many of the weaknesses of the current justification.

Conclusions

Job Corps is an expensive job training program that provides comprehensive services to a severely disadvantaged population. For over 30 years, Job Corps has been helping young people who need and can benefit from an intensive program operated primarily in a residential setting. However, our work raises serious questions about Labor's claims about the program's achievements. Reported statistics on placement rates, the percentage of participants who are vocational completers, and the percentage of participants who obtained jobs related to the training they received are misleading and overstate Job Corps' results. The Labor Department and the Congress need meaningful and accurate information if they are to effectively manage and oversee the Job Corps program.

In addition, Labor has continued its long-standing practice of awarding sole-source contracts for a substantial portion of Job Corps' vocational training—a practice we suggested it re-evaluate in 1995. To date, Labor has failed to provide adequate support to justify sole-source procurement for vocational training services provided by the nine national labor and business organizations. Labor's justification for sole-source procurement does not explain or demonstrate the basis for Labor's determination of need.

We will be making recommendations to address these issues in a forthcoming report to the Subcommittee.

[11]GAO/HEHS-95-180, June 30, 1995.

Mr. Chairman, this concludes my prepared statement. We would be happy to answer any questions that you or Members of the Subcommittee may have.

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